

**Exhibit 1**

**The April 2019 Lift Stay Notice**

**Breen, Matthew**

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**From:** Bacon, Nicole <nbacon@feldesmantucker.com>  
**Sent:** Tuesday, April 16, 2019 4:04 PM  
**To:** 'Susana Peñagaricano'; 'Hermann.Bauer@oneillborges.com';  
'ubaldo.fernandez@oneillborges.com'; Perez, Diana (External);  
'Imarini@mpmlawpr.com'; 'cvelaz@mpmlawpr.com'  
**Cc:** 'Carolina Velaz Rivero'; 'Luis Marini'; 'Garau Gonzalez, Ivan (AAFAF)'; 'Iván J. Ramírez  
Camacho'; 'Wandymar Burgos Vargas'; Feldesman, James; 'Miguel Rodriguez Marxuach';  
Ghiladi, Kathy; Caracas, Nancy;  
'{F387501}.Feldesman\_Docs@WorkSiteEmm.feldesmantucker.com'  
**Subject:** RE: Lift Stay Notice (Rio Grande Community Health Center, Inc., et al. v. Hon. Rafael  
Rodriguez Mercado, Secretary, Department of Health Commonwealth of Puerto Rico,  
Case No. 03-1640 (Consolidated with Case Nos. 06-1291, 06-1524))  
  
**Importance:** High

Dear Ms. Peñagaricano:

I write to follow up on the lift stay notice submitted on behalf of Atlantic Medical Center, Inc., Camuy Health Services, Inc., Centro de Salud Familiar Dr. Julio Palmieri Ferri, Inc., Ciales Primary Health Care Services, Inc., Corp. de Serv. Médicos Primarios y Prevención de Hatillo, Inc., Costa Salud, Inc., Centro de Salud de Lares, Inc., Centro de Servicios Primarios de Salud de Patillas, Inc., and Hospital General Castañer, Inc.

We would like to request a phone call as soon as possible to discuss an agreement to lift of the stay for the consolidated cases styled *Rio Grande Community Health Center, Inc., et al. v. Hon. Rafael Rodriguez Mercado, Secretary, Department of Health Commonwealth of Puerto Rico*, Case No. 03-1640. It is our understanding that due to the stay, the Commonwealth of Puerto Rico does not intend to make quarterly payments owed to our clients even though (1) our clients have a federal statutory right to payments for services they rendered to Puerto Rico Medicaid patients in the first quarter of 2019, and (2) the Commonwealth has a continuing obligation to make such payments pursuant to 42 U.S.C. §1396a(bb) as a condition of participation in the federal Medicaid program.

Our clients rely on these payments to provide services to Puerto Rico's most vulnerable population and delay of those payments jeopardizes the availability of their services. Please let us know your what time is best to speak with you either **tomorrow April 17<sup>th</sup> or Thursday, April 18<sup>th</sup>**. Thank you for your prompt attention to this matter.

Sincerely,  
Nicole M. Bacon

**Nicole M. Bacon**

Partner  
Feldesman Tucker Leifer Fidell LLP  
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**From:** Susana Peñagaricano <[spenagaricano@justicia.pr.gov](mailto:spenagaricano@justicia.pr.gov)>

**Sent:** Thursday, April 11, 2019 1:59 PM

**To:** Bacon, Nicole <[nbacon@feldesmantucker.com](mailto:nbacon@feldesmantucker.com)>; Bacon, Nicole <[nbacon@feldesmantucker.com](mailto:nbacon@feldesmantucker.com)>

**Cc:** Carolina Velaz Rivero <[cvelaz@mpmlawpr.com](mailto:cvelaz@mpmlawpr.com)>; Luis Marini <[lmardini@mpmlawpr.com](mailto:lmardini@mpmlawpr.com)>; Garau Gonzalez, Ivan (AAFAF) <[ivan.garau@aafaf.pr.gov](mailto:ivan.garau@aafaf.pr.gov)>; Iván J. Ramírez Camacho <[ivramirez@justicia.pr.gov](mailto:ivramirez@justicia.pr.gov)>; Wandymar Burgos Vargas <[wburgos@justicia.pr.gov](mailto:wburgos@justicia.pr.gov)>

**Subject:** FW: Lift Stay Notice (Rio Grande Community Health Center, Inc., et al. v. Hon. Rafael Rodriguez Mercado, Secretary, Department of Health Commonwealth of Puerto Rico, Case No. 03-1640 (Consolidated with Case Nos. 06-1291, 06-1524))

Esteemed counsel:

I acknowledge receipt of your Notice, requesting relief from the Automatic Stay for the continuance of the proceedings in the case: Rio Grande Community Health Center, Inc., et al. v. Hon. Rafael Rodriguez Mercado, Secretary, Department of Health Commonwealth of Puerto Rico, Case No. 03-1640 (Consolidated with Case Nos. 06-1291, 06-1524). We will review the Notice and circle back to you.

Cordially,

s//SIPB

**Susana I. Peñagaricano Brown**

Director

Federal Litigation and Bankruptcy Division

Commonwealth of Puerto Rico

Department of Justice

[spenagaricano@justicia.pr.gov](mailto:spenagaricano@justicia.pr.gov)

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Esq. Ave. Jesús T. Piñero

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San Juan, P.R. 00902-0192

-----Original Message-----

From: Bacon, Nicole <nbacon@feldesmantucker.com>

Sent: Tuesday, April 9, 2019 10:06 PM

To: Hermann.Bauer@oneillborges.com; ubaldo.fernandez@oneillborges.com; dperez@omm.com; Luis Marini <lmardini@mpmlawpr.com>; Carolina Velaz Rivero <cvelaz@mpmlawpr.com>

Cc: Feldesman, James <JFeldesman@feldesmantucker.com>; Miguel Rodriguez Marxuach <mrm@rmlawpr.com>; Ghiladi, Kathy <KGhiladi@feldesmantucker.com>; Caracas, Nancy <nCaracas@feldesmantucker.com>

Subject: Lift Stay Notice

Dear Counsel:

Please be advised that Atlantic Medical Center, Inc., Camuy Health Services, Inc., Centro de Salud Familiar Dr. Julio Palmieri Ferri, Inc., Ciales Primary Health Care Services, Inc., Corp. de Serv. Médicos Primarios y Prevención de Hatillo, Inc., Costa Salud, Inc., Centro de Salud de Lares, Inc., Centro de Servicios Primarios de Salud de Patillas, Inc., and Hospital General Castañer, Inc. intend to seek relief from the automatic stay in light of the Opinion and Order entered by the United States Court of Appeals for the First Circuit dated March 21, 2019 in Case No. 18-1783 (copy attached) (the "Appellate Order").

Each of the named movants are parties plaintiff in litigation styled Rio Grande Community Health Center, Inc., et al. v. Hon. Rafael Rodriguez Mercado, Secretary, Department of Health Commonwealth of Puerto Rico, Case No. 03-1640 (Consolidated with Case Nos. 06-1291, 06-1524), United States District Court for the District of Puerto Rico (the "Litigation").[1]<[https://webmail.feldesmantucker.com/owa/?ae=PreFormAction&a=Forward&t=IPM.Note&id=RgAAAC1P6uk8J8hQpXi%2fTlcQFHXBwAT%2bc3vrv1KTKRMG%2bg%2f06kTAAAFx6HXAA Dc73sONeEYS5iLTu9rUdnIAAB42lvVAAAJ&pspid=\\_1554861348993\\_229759354#\\_ftn1](https://webmail.feldesmantucker.com/owa/?ae=PreFormAction&a=Forward&t=IPM.Note&id=RgAAAC1P6uk8J8hQpXi%2fTlcQFHXBwAT%2bc3vrv1KTKRMG%2bg%2f06kTAAAFx6HXAA Dc73sONeEYS5iLTu9rUdnIAAB42lvVAAAJ&pspid=_1554861348993_229759354#_ftn1)> Each of the named movants are federally qualified health centers providing medical services on a continuing basis to a variety of Puerto Rican citizens and residents including but not limited to the indigent and uninsured as well as Medicare and Medicaid recipients.

The Litigation concerns the continuing obligation of the Commonwealth to make wrap around payments ("WAPs") pursuant 42 U.S.C. §1396a(bb). Because of persistent failure and/or refusal of the Commonwealth to make the payments required by federal law, the District Court issued an injunction requiring the payment of estimated WAPs on a quarterly basis (see Docket Entry No. 743 in Civil Action No. 06-1260; see also Docket No. 674 in Civil Action No. 03-1640) (both attached hereto). Since the entry of the referenced Order, the Commonwealth has made estimated WAPs for periods through the fourth quarter of 2018. Earlier this year, the Plaintiff Health Centers and the Commonwealth reached agreements resetting the rates at which the Health Centers will be compensated on a "per visit" basis derived from complex calculations agreed to by both sides. The continuation of the uninterrupted WAPs is essential to the continued provision of medical services to the constituency of each Health Center. Without such payments the Health Centers will be in imminent danger of financial collapse. The next quarterly payment from the Commonwealth is due April 17, 2019.

At page 31 of the Appellate Order, the Court of Appeals for the First Circuit held that:

PROMESA, by virtue of Section 301(a), expressly incorporates 11 U.S.C. §362, and the default operation of Section 362 in this case is to stay - - or temporarily "relieve" - - the Commonwealth's compliance with its federal obligations under the Medicaid Act.

The movant Health Centers require relief from the stay in order to allow the District Court to: (a) continue requiring quarterly estimated WAPs at the newly agreed rates; and (b) continue to oversee the process of reconciliation of past services and compensation due. The Litigation is a complex and highly technical. It has been pending before the District Court for 15 years and the District Court is well versed in issues to be decided. Clearly, the District Court is qualified to continue in its present role and allowing it to do so serves the goal of judicial economy.

We look forward to discussions at your earliest convenience.

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[1]<[https://webmail.feldesmantucker.com/owa/?ae=PreFormAction&a=Forward&t=IPM.Note&id=RgAAAAC1P6uk8J8hQpXi%2fTlcQFHXBWAT%2bc3vrv1KTKRMG%2bg%2f06kTAAAFx6HXAADc73sONeEYS5iLTu9rUdnIAAB42lvVAAAJ&pspid=\\_1554861348993\\_229759354#\\_ftnref1](https://webmail.feldesmantucker.com/owa/?ae=PreFormAction&a=Forward&t=IPM.Note&id=RgAAAAC1P6uk8J8hQpXi%2fTlcQFHXBWAT%2bc3vrv1KTKRMG%2bg%2f06kTAAAFx6HXAADc73sONeEYS5iLTu9rUdnIAAB42lvVAAAJ&pspid=_1554861348993_229759354#_ftnref1)> All of the cases in the district court (Case Nos. 03-1640, 06-1291, and 06-1524) were consolidated under the lead case 06-1260 from 2008 until 2015, at which point the trial judge severed 06-1260 as the sole plaintiff in that matter had reached a settlement with the Commonwealth. The lead case post-severance is 03-1640.

Nicole M. Bacon

Partner

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